

***Superseded 5/10/2016***

**63G-7-704 Tax levy by political subdivisions for payment of claims, judgments, or insurance premiums.**

- (1) Notwithstanding any provision of law to the contrary, a political subdivision may levy an annual property tax sufficient to pay:
  - (a) any claim, settlement, or judgment;
  - (b) the costs to defend against any claim, settlement, or judgment; or
  - (c) for the establishment and maintenance of a reserve fund for the payment of claims, settlements, or judgments that may be reasonably anticipated.
- (2)
  - (a) The payments authorized to pay for punitive damages or to pay the premium for authorized insurance is money spent for a public purpose within the meaning of this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum levy as otherwise restricted by law is exceeded.
  - (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable property.
  - (c) The revenues derived from this levy may not be used for any purpose other than those specified in this section.
- (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.